

IN THE MATTER OF FACT-FINDING

Between

**WATERLOO EDUCATIONAL SUPPORT
PERSONNEL**

And

WATERLOO COMMUNITY SCHOOL DISTRICT

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PUBLIC EMPLOYMENT
RELATIONS BOARD

**Recommendation
of Fact-Finder
Lon Moeller**

I. PRELIMINARY STATEMENT

This case involves a fact-finding proceeding arising under the Iowa Public Employment Relations Act, Iowa Code Chapter 20, between the Waterloo Educational Support Personnel ("WESP" or "Association") and the Waterloo Community School District ("District"). The parties entered into a voluntary impasse procedure that included fact-finding and which waived the statutory timelines of Chapter 20.

A fact-finding hearing was held on June 21, 2002, at the District's administrative offices located at 1516 Washington Street in Waterloo, Iowa. The parties appeared through their designated representatives and presented exhibits and testimony supporting their positions. Wages for the 2002-2003 contract year was the only statutory impasse item before the Fact-Finder. The record of the case was complete following the submission of the parties' closing arguments.

II. APPEARANCES

For the WESP:

Roger L. White.....	Uni-Serv Director and Spokesperson
Betty Fuller.....	ISEA Budget Specialist
Vivian Broodman.....	WESP President
Jackie Lekar.....	WESP Rights Chair
Arlene Stocks.....	WESP Chair
Ruth Jones.....	WESP/Teacher Associate
Donna Powers.....	WESP/Teacher Associate
Janeen Lidtke.....	WESP/Secretary

For the District:

Donald C. Hoskins.....	Attorney and Spokesperson
Gary L. Ray.....	District Representative and Spokesperson

Beverly Smith.....	Associate Superintendent for Human Resources and Equity
Patrick Clancy.....	Assistant Superintendent for Student and Supplemental Service
Sharon Droste.....	Director of Staff Services
Jim Langstraat.....	Executive Director of Administrative Services

III. **FACT-FINDING POSITIONS**

A. **For the Association:**

Schedule B Wages

General increases of \$.40 at all steps of schedule and maintain all current differential rates (WESP Exhibit 1; District Exhibit I-6)

B. **For the District:**

All items current contract except for those items agreed to during the course of bargaining for the 2002-03 contract and appropriate changes of dates. Schedule B would be as follows:

W.E.S.P WAGES

SCHEDULE B

2002-2003

Step 01	\$7.00
Step 02	\$7.17
Step 03	\$7.34
Step 04	\$7.52
Step 05	\$7.70
Step 06	\$7.89
Step 07	\$8.07
Step 08	\$8.28
Step 09	\$8.53

(District Exhibit I-7; WESP Exhibit 2)

IV. **WESP'S POSITION**

WESP proposes a .40 cents per hour across-the-board wage increase with step movement and longevity. The total package cost of WESP's proposal is 7.65% (WESP Exhibit 3). In support of its position, the Association makes the following points:

- A. The 2001-2002 base wage rates for bargaining unit members were effectively frozen under the parties' 2000-2002 collective bargaining agreement (Joint Exhibit 1, p. 45; WESP Exhibit 8). Bargaining unit members only received step movement and longevity in the 2001-2002 contract year. This bargaining unit, therefore, has fallen behind comparable employee groups – both within the District and compared to other school districts – and is in need of dramatic wage catch-up.
- B. For an external comparison group, WESP proposes a combination of the eight largest school districts (by student enrollment) in Iowa – the Urban Network – and the remaining school districts of the twenty largest (by student enrollment) school districts in Iowa (WESP Exhibits 10 and 11).¹ The Association points out that Ames and Marshalltown do not have comparable clerical bargaining units and that Mason City only includes teacher associates in its educational support unit.
- C. Looking at external benchmark wage comparisons for the time period between the 1998-1999 and 2001-2002 contract years, WESP contends that the District falls far behind the comparable wage rates for head/building secretary, non-head secretary, clerk-typist, associate and special education associate job classifications (WESP Exhibits 12 and 13). On average, in 2001-2002, the District's employees in these job classifications are \$1.55 under the comparable starting rates and .49 cents under the comparable maximum wage rates (WESP Exhibits 12a, 12b, 12c, 12d and 12e). For the 1998-1999 contract year, the District was under the average starting and maximum wage rates for the head/building secretary, non-head secretary, clerk-typist, associate and special education associate classifications by \$1.10 and .53 cents (WESP Exhibits 13a, 13b, 13c, 13d and 13e). With the exception of the average maximum associate wage rate, the District has continued to lose ground compared to the average starting and maximum wage rates during the period of 1998-1999 through 2001-2002 at the head secretary (-.50/-.98), non-head secretary (-.61/-.21), clerk-typist (-.78/-.27), and the special education associate ranks (-.61/-.33) (WESP Exhibits 14a, 14b, 14c and 14e).²
- D. The Association emphasizes that wage settlements for the 2002-2003 contract year further support its position. Among the comparables, the settlement average (on a cents-per-hour basis) is .31 cents for secretaries and .34 cents for associates (WESP Exhibits 20 and 21). Davenport recently received a fact-finding report recommending a .25 cent across-the-board increase on July 1, 2002 and a .15 cent across-the-board increase as of April 1, 2003 (WESP

¹ This comparable group consists of Des Moines, Cedar Rapids, Davenport, Sioux City, Iowa City, Council Bluffs, Dubuque, West Des Moines, Ankeny, Muscatine, Linn-Mar, Burlington, Ottumwa, Clinton, Southeast Polk, Mason City and Fort Dodge (WESP Exhibit 11).

² For the starting associate wage rate, the District has fallen under the comparable average by an additional .50 cents during the period of 1998-1999 through 2001-2002 (WESP Exhibit 14d).

Exhibit 19, p. 17). Likewise, the District's internal settlement pattern is closer to the Association's position than to the District's position. AFSCME and the District settled on a .15 cent per hour across-the-board increase plus longevity and step movement for 2002-2003 – a 3.04% total package increase (WESP Exhibit 23).³

- E. WESP maintains that turnover savings to the District will more than adequately fund its proposed wage increase (WESP Exhibit 9). As a result of resignations and retirements in this bargaining unit, the District will realize turnover savings of \$498,853.62 (WESP Exhibit 25). WESP notes, based on turnover savings, that “[t]otal wages for the WESP unit actually decreased from \$3,842,673 in 2000-01 to \$3,841,474 in 2001-02” (WESP Exhibits 3 and 9). It also emphasizes that the District's special education associates are paid out of special education funds and that the District continues to carryover its unspent special education funds (WESP Exhibits 31 and 32). Of the approximate 333 bargaining unit employees, 108 are special education associates (WESP Exhibit 5).

- F. The District's financial condition has improved considerably over the last few years (WESP Exhibit 48). This is reflected in the District's unspent budget authority and cash reserves (WESP Exhibits 27, 28, 33, 34, 36, 37, 38, 39 and 40). Waterloo also benefits from a one-cent local option sales tax (WESP Exhibit 43). For 2002-2003, the District will have a regular program increase of 1.30% (\$639,688) (WESP Exhibit 29). The District is one of the few school districts in Iowa with “new money” for the upcoming year. The average regular program growth among the comparables is .91% (WESP Exhibit 30). According to the Association, “[t]he factfinder's recommendation will not raise nor will it lower the District's tax rate” (WESP Exhibit 44).

- G. In response to the District's arguments, WESP contends that its insurance program, and the District's contribution towards the cost of family health insurance is not out of line with comparable school district employees. Only 55 employees are in the family health insurance plan (WESP Exhibit 3). WESP Exhibits 16 and 17 show that a majority of the comparables pay single health insurance coverage for their secretaries and associates and that the majority also pay towards family health insurance coverage. Also, only 100 bargaining unit employees receive “wages in lieu of insurance” under the collective bargaining agreement (WESP Exhibit 3).⁴

³ WESP also disputes the District's contention that the parties have historically bargained and settled on a total package basis. It points out that the District does not use a total package approach when costing salary and wage increases for its administrators and non-union staff (WESP Exhibits 22 and 24).

⁴ Article V – INSURANCE, Section A (1)(d) states that “[e]mployees who were employed prior to July 1, 1996 shall receive an additional \$100 per month as additional wages if single coverage or as credit toward the cost of the family coverage” (Joint Exhibit 1, p. 14). This same provision is in the District's collective bargaining agreement with the Waterloo Education Association (“WEA”) (District Exhibit I-1ii, p. 14) but not in its AFSCME collective bargaining agreement (District Exhibit I-1i).

To summarize, WESP claims that its proposal is reasonable and allows the District's educational support staff to catch-up with comparable employees after an effective freeze of their base wage rates.

V. THE DISTRICT'S POSITION

The District proposes step movement and longevity only for the 2002-2003 contract year.⁵ The total package cost of its proposal is 4.15% (District Exhibit I-13), which accounts for 37.4% of the District's 1.30% regular program growth for 2002-2003 (District Exhibit C-4). In support of its fact-finding proposal, the District makes the following points:

- A. This is not, according to the District, "an average or typical year in public sector collective bargaining in Iowa" (District Exhibits I-4 and 5). Iowa is suffering through an economic slowdown. The District's allowable growth was reduced from 4.30% to 1.30% (\$640,172) – a cut of \$2,117,491 (District Exhibit I-4). It has eliminated 19.65 teacher associate, one special education associate and three home school worker FTEs over the past school year (District Exhibit I-23).
- B. The District's fact-finding position is reasonable and reflects the economic environment in which school districts are forced to operate this year. It has not proposed a wage freeze as the WESP contends. Bargaining unit employees will receive step movement plus longevity under the District's proposal, meaning that employees will receive a wage increase for 2002-2003 anywhere from .07 cents to .25 cents per hour. Over one-half of the bargaining unit (171.47 of 315.61 positions) will get wage increases in the range of .17 cents to .25 cents (District Exhibit C-3).
- C. The parties have traditionally negotiated and settled on a total package basis. For the 2001-2002 contract year, when the District's new money was 3.89% (District Exhibit I-21), the parties agreed to a 4.62% total package settlement (District Exhibit S-3). As stated in the parties' 2001-2002 collective bargaining agreement:

The total package increase for 2001-2002 will be 4.62%. The actual salary schedule will be calculated and distributed to employees after insurance rates are made available to the District in the spring of 2001. However, the wage increase will not be less than 1% or step movement whichever is greater (Joint Exhibit 1, p. 45).
- D. This bargaining unit has negotiated the most liberal insurance package of the District's three represented employee groups. Under the District's collective

⁵ Under the parties' collective bargaining agreement, "[l]ongevity [is] paid at .07 per hour for each year thereafter beyond Step 09" (Joint Exhibit 1, p. 45).

bargaining agreement with WESP, the District contributes “one-half (1/2) of the additional cost beyond single coverage, including prescription drug insurance coverage” (Joint Exhibit 1, p. 14). By contrast, the District only contributes “\$50.00 per month beyond single coverage towards family insurance coverage” for its teachers (District Exhibit I-1ii, p. 14) and AFSCME-represented staff (District Exhibit I-1i, p. 9).

- E. The tradeoff negotiated by WESP for this bargaining unit – maintaining the District’s 50% contribution towards family health insurance coverage – has resulted in fewer available dollars for base wage rates.⁶ Insurance costs for this bargaining unit are equivalent to 31.94% of the total wage costs (District Exhibit I-12). The District will additionally pay out \$120,000 “in wages in lieu of insurance” which amounts to .27 cents per hour based on the number of annual work hours (444,197) in this bargaining unit (District Exhibits IN-5 and IN-12). Indeed, “[i]nsurance costs the District \$2.86 per employee hour in 01/02 and will be approximately \$3.21 in 02/03” (District Exhibit IN-2). Rather than take a proposal to fact-finding and possibly arbitration that calls for changes in its health insurance contribution⁷, the District has recognized the bargaining unit’s interest in maintaining the negotiated health insurance *status quo*.
- F. The District emphasizes that its position is supported by both the relevant internal and external comparables. AFSCME represented employees agreed to a 3.04% total package settlement for 2002-2003, while the WEA is set to ratify a 3.95% total package settlement with the District (District Exhibits I-13, p. 2 and S-2A). For external comparables, the District proposes a combination of the Urban 8 school districts in Iowa (Des Moines, Cedar Rapids, Waterloo, Davenport, Sioux City, Iowa City, Council Bluffs and Dubuque) and the 20 largest school districts in Iowa (District Exhibit I-9).⁸ The average total package settlements for associates and secretaries in the twenty largest school districts are 4.42% and 4.37% (District Exhibit S-4). The settlement pattern for the 2002-2003 contract year also reflects “an unmistakable decrease in the level of settlements after the state ordered budget cuts and decrease in allowable growth” (District Exhibit S-5). The statewide total package settlements after state budget cuts and the reduction in allowable growth are 3.51% for associates and 3.65% for secretaries (District Exhibits S-6 and S-11). This compares with the pre-cut/reduction statewide total package settlement average of 3.75% (District Exhibit S-16).

⁶ On this point, the District contends that “if all insurance (except LTD) was converted to wages, every employee in the unit would be receiving an additional \$2.82 per hour (\$2.86 with LTD)” (District Exhibit I-12).

⁷ During the parties’ 1999-2000 contract negotiations, the District proposed to change Article V – INSURANCE, Section A(1)9(c) by replacing the reference to the District’s contribution rate for family health insurance of “one-half (1/2)” with the same language found in the AFSCME and WEA collective bargaining agreements – “fifty dollars (\$50) a month” (District Exhibit I-1iii).

⁸ This total comparable group thus consists of Des Moines, Cedar Rapids, Sioux City, Iowa City, Council Bluffs, Davenport, Dubuque, West Des Moines, Ankeny, Muscatine, Linn-Mar, Marshalltown, Burlington, Ottumwa, Ames, Clinton, Southeast Polk, Mason City and Fort Dodge (District Exhibits I-9 and I-10).

- G. The District maintains that its wage rates must be viewed in light of the insurance contribution and the longevity pay that bargaining unit employees receive under the collective bargaining agreement (District Exhibits IN-28 and W-1). The District pays the full health insurance premium amount of the single plan coverage for employees who work 32 hours or more per week (District Exhibits IN-10 and IN-11). For 2001-2002, the comparable average for single plan coverage was 35 work hours per week with an average employer contribution of \$118.56 (District Exhibit IN-5). This bargaining unit, with coverage for employees who work 32 hours or more per week and the District's premium contribution of \$281.15, exceeds the comparable average. The same is true of the District's contribution (50%) for the family health insurance plan relative to the comparable average (38.3% employer contribution) (District Exhibit IN-13). In addition, the District and Des Moines are the only school districts of the comparable group that provide a full complement of health, vision, life, LTD and dental insurance (District Exhibits IN-8 and IN-15). The District also provides this bargaining unit with one of the best – an “open-ended” – longevity provision among the comparable school districts (District Exhibits W-1, W-3 and W-5).
- H. The District maintains that it “is still in a relatively poor fiscal condition” (District Exhibit I-13, p. 3). It has suffered the largest enrollment loss of any of the comparables (District Exhibits I-16, I-19 and I-20). Each lost student represents a cost of “\$4,557 in lost revenue” to the District (District Exhibit I-20). The District is at or near the bottom of the comparables in terms of maximum authorized budget, unspent balance, unspent balance as a percentage of maximum expenditure, assessed value and undesignated fund balance (District Exhibits B-2, B-3, B-5, B-6, B-7, B-8, B-10, B-11 and B-20-I). Since the 1995-1996 school year, the District has only had above average new money three times (District Exhibit I-21).

In conclusion, the District submits that its proposal is the most reasonable and should be recommended by the Fact-Finder.

VI. DISCUSSION

The Iowa Public Employment Relations Act does not identify specific criteria by which a fact-finder must make his or her recommendations. Both parties have structured their arguments and presented exhibits based on the statutory criteria used for interest arbitration cases under Iowa Code §20.22(9). The District and WESP point to their past collective bargaining agreements/bargaining history, internal and external comparables and the public interest and welfare to support their positions. The Fact-Finder will, therefore, use these factors to make his recommendation on the wage issue.

The parties generally agree on the use of the Urban Network and the largest 20 school districts in Iowa as the relevant comparable groups. These comparables have also been

previously used by fact-finders and arbitrators in cases involving the District and its bargaining unit employees.

Looking at the starting and maximum wage rates for secretary and associate job classifications,⁹ the District has slipped behind the comparables since the 1998-1999 contract year. WESP Exhibit 13 shows that in 1998-1999 the District was under the starting comparable hourly wage rate for secretaries and associates by an average of .85 cents and under the maximum hourly wage rate for secretaries and associates by an average of .20 cents. For the 2001-2002 contract year, the District was under the starting comparable hourly wage rate for secretaries and associates by an average of \$1.39 and under the maximum hourly wage rate for secretaries and associates by an average of .60 cents (WESP Exhibit 12). From 1998-1999 to 2001-2002, the District slipped at the hourly wage rankings for the head/non-head secretary, clerk-typist and associate job classifications (WESP Exhibits 12 and 13). With an average wage settlement for the 2002-2003 contract year of .31 cents for secretaries (WESP Exhibit 20) and .34 cents for associates (WESP Exhibit 21) among the twenty largest school districts, the District runs the risk of falling even further behind the comparables in terms of its relative wage rankings.

The parties have not apparently negotiated large cents per hour increases in the base wage rates for this bargaining unit.¹⁰ Last year, and apparently for other past years' settlements, the parties negotiated and/or costed on a total package basis (District Exhibit S-2B). Because of the District's 50% contribution towards the cost of family health insurance for this bargaining unit – a contractual benefit not found in the WEA or AFSCME collective bargaining agreements – insurance costs take up a good share of the dollars available for across-the-board wage increases. Looking at comparable total package settlements, WESP's wage proposal, which generates a total package cost to the District of 7.65%, exceeds the total package cost of the District's AFSCME settlement (3.04%) and the comparable average for secretaries (4.37%) and associates (4.42%) (District Exhibits S-2A and S-4). On the other hand, the District's total package proposal of 4.15% is slightly above the 2002-2003 total package settlement average (3.99% secretaries/associates) for comparable school districts with no new money (District Exhibits I-21 and S-4). The average total package settlement for comparable districts with new money (.97% to 4.0%; average new money of 2.06%) is 4.93% for associates and 4.98% for secretaries; for comparable districts with new money similar to the District's new money (.97% for Muscatine, 1.70% for Des Moines and Southeast Polk's 1.20%) the average total package settlement for associates is 4.61% and 4.25% for secretaries (District Exhibit S-4).¹¹

⁹ Approximately 95% of the bargaining unit is in the secretary and teacher/special education associate job classifications (WESP Exhibit 5). Of this number, 238 employees (71%) are found in the teacher associate and special education associate classifications.

¹⁰ WESP Exhibit 14 shows, for example, that starting wage rates for the clerk-typist, teacher associate and special education associate job classifications have increased by .25 cents since the 1998-1999 contract year. Starting wage rates for the District's head and non-head secretaries increased during this same period by .40 cents and .33 cents respectively (WESP Exhibits 14a and 14b).

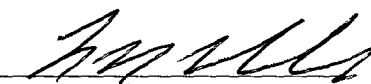
¹¹ This total package settlement number for the associates may even be higher if Iowa City is factored into the mix. WESP Exhibit 21 shows that Iowa City associates settled at a .41 cent per hour increase for 2002-2003; Iowa City has new money of 2%. The District did not report 2002-2003 total package settlements for Iowa City, Ankeny (3.90% new money) or Fort Dodge (secretaries). WESP Exhibits 20 and 21 report a .50 cent per hour settlement for Ankeny associates and secretaries and .35 cents for Fort Dodge secretaries.

While there is need for some wage catch-up in this unit, a .40 cent across-the-board increase cannot be squared with the layoff of bargaining unit employees, state budget cuts and 1.30% new money. The District is, nonetheless, turning the financial corner from where it was a few years ago. The external settlements and wage comparisons show that limiting this bargaining unit to longevity pay and step movement, thereby freezing base wage rates for a second year, will cause bargaining unit employees to slip farther behind their counterparts at comparable school districts.

Taking all of these factors into account, and driven by the public interest in not only fiscal responsibility in Iowa school districts but also competitive and fair wage rates for school district employees, the Fact-Finder is of the view that an across-the-board increase of .06 cents is appropriate for the 2002-2003 contract year. Adding step movement and longevity as both parties have proposed with an across-the-board increase of .06 cents generates a total package cost of 4.66%.¹² This increase approximates the parties' 2001-2002 total package settlement of 4.62% and should allow the District's educational support staff to, coupled with step movement and longevity, generally maintain their relative wage rankings among the comparables.

VII. RECOMMENDATION

For the reasons set forth above, the Fact-Finder recommends that the employees in this bargaining unit receive step movement and longevity pay as proposed by both the District and WESP and that base wage rates (Schedule B) for the 2002-2003 contract year be increased by a .06 cent per hour across-the-board increase.


Lon Moeller, Fact-Finder

Dated this 2nd day of July, 2002
at Iowa City, Iowa

¹² This total package increase is calculated on the basis of the formula included in District Exhibit C-6, a costing worksheet for the Fact-Finder. This formula is as follows: \$5,064 for each one-cent ATB increase plus \$239,286 (longevity and step movement) and divided by \$5,786,403 (2001-2002 base year cost).

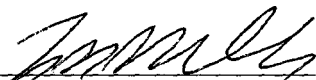
CERTIFICATE OF SERVICE

I certify that on the 2nd day of July, 2002, I served the foregoing fact-finding report upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Gary L. Ray
Ray and Associates
4403 First Avenue SE, Suite 407
Cedar Rapids, IA 42402

Roger L. White
Uni-Serv Director
701 West Fifth Street
Waterloo, IA 50702

I further certify that on the 2nd day of July 2002, I will submit this fact-finding report for filing by mail with the Iowa Public Employment Relations Board, 514 East Locust, Suite 202, Des Moines, Iowa 50309.



Lon Moeller, Fact-Finder